

Board of Directors

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HON. W. E. FOSTER, LL.D.

C. B. HOWARD, Esq., M.P.

HON. B. M. HILL, M.P.

W. W. SNIDER, Esq.

W. W. V. FOSTER, Esq., M.L.A.

R. W. T. BURLEIGH, Esq.

A. C. SMITH, Esq.

B. C. HOWARD, Esq.

A. G. TIERNEY, Esq.

OFFICERS

HON. W. E. FOSTER, LL.D.

President

C. B. HOWARD, Esq., M.P.

Vice-President

HON. B. M. HILL, M.P.

Treasurer and Managing Director

A. G. TIERNEY, Esq.

Secretary

SOLICITORS

HYDE, AHERN, PERRON & SMITH

AUDITORS

PRICE, WATERHOUSE & COMPANY

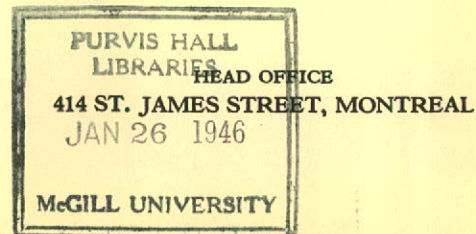
**Consolidated
Diversified Standard
Securities
Limited**

FINANCIAL REPORT

FOR YEAR ENDING
DECEMBER 31st,

1936

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Consolidated Diversified Standard Securities Limited

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Montreal, March 8th, 1937.

To the Shareholders:—

The report of the operations of your Company and its Subsidiary for the year ending December 31st, 1936, including Consolidated Balance Sheet and Profit and Loss Accounts is submitted herewith.

The Securities of over 160 Corporations are held in the Company's Portfolio and the investments are classified as follows: Bonds 22.62%, Preferred Stocks 15.41%, Common Stocks 61.06%, Miscellaneous Unlisted Stocks 00.91%.

Net Realized Capital Profits for the year were transferred to a reserve for that purpose.

During the first half of the year a dividend at the rate of .25c per share was paid on the outstanding Preference shares, and for the last half of the year the rate was increased to .37½c per share, making the total disbursement .62½c per share for the period under review as against .50c per share in 1935.

A cordial invitation is accorded all Shareholders to attend the Annual Meeting, which will be held on April 12th, 1937, and if unable to be present your Proxy should be executed and forwarded to the Secretary of the Company.

Submitted on behalf of the Directors.

President.

Consolidated Diversified Standard Securities Limited

Consolidated Statement of Profit and Loss and Surplus

For the year ending December 31st, 1936

Dividends and Interest earned on Investments.....	\$ 64,720.33	
ADD: Net Profit on sale of Investments, less provision to reduce book value of Investments to the lower of cost or market at December 31, 1936.....	352,990.84	\$417,711.17
DEDUCT: Expenses—		
Executive Salaries.....	\$17,225.00	
Office Salaries.....	4,037.00	
Directors' Fees.....	3,400.00	
Legal Fees and Expenses.....	308.53	
Taxes, other than Income.....	1,270.93	
Interest paid.....	1,396.86	\$27,638.32
General Expenses, including Rent, Light, Postage, Stationery and other Office expenses, etc.....	5,046.86	32,685.18
		<u>\$385,025.99</u>
DEDUCT:		
Provision for Dominion and Provincial Income and Profits taxes for the 1936 period.....	\$ 4,750.00	
Preferred Dividends No. 8 and No. 9 at 25 cents and 37½ cents per share respectively, less \$3,970.43 paid on those shares held by wholly owned subsidiary.....	22,333.72	
Net Realized Capital Profits, as above, transferred.....	352,990.84	380,074.56
		<u>\$ 4,951.43</u>
ADD: Balance, December 31, 1935.....		32,115.56
Balance, December 31, 1936.....		<u><u>\$ 37,066.99</u></u>

Consolidated Diversified Standard Securities Limited

Auditors' Report to the Shareholders

We have made an examination of the books and accounts of Consolidated Diversified Standard Securities Limited, and have been furnished with the audited accounts of its wholly owned subsidiary, for the year ending December 31, 1936, and have obtained all the information and explanations which we have required. In the periodical examinations made by us, securities have been found in order, and we report that, in our opinion, the attached Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31, 1936, according to the best of the information and explanations given to us, and as shown by the books of the company and the audited report of its subsidiary, for the year ending December 31, 1936.

PRICE, WATERHOUSE & CO.,
Auditors.

Montreal, March 2, 1937.

Consolidated Diversified Standard Securities Limited

AND ITS WHOLLY OWNED SUBSIDIARY COMPANY

Consolidated Balance Sheet, December 31st, 1936

ASSETS

CASH IN BANKS.....	\$	7,626.44	
DIVIDENDS DECLARED (Receivable in January).....	\$	2,300.60	
INTEREST ACCRUED ON BONDS.....		5,524.99	
SUNDRY ACCOUNTS RECEIVABLE.....		47.52	7,873.11
BALANCES DUE BY BROKERS, against securities delivered.....			7,620.13
INVESTMENTS:			
In Stocks and Bonds of listed Corporations at book value, being the lower of cost or quoted Market Value at December 31, 1936.....			
(Quoted market value of above Investments at December 31, 1936, \$1,840,086.50)		\$1,219,581.24	
Net Cost of 938 18/25 Non-cumulative First Preference Shares, and 28,711 19/40 Class "A" Common Shares of Consolidated Diversified Standard Securities Limited, held by its wholly owned Subsidiary, Alco Securities Corporation Limited.....		22,512.61	1,242,093.85
FURNITURE AND FIXTURES, less Reserve for Depreciation of \$818.90			1,309.14
PREPAID ITEMS.....			881.63

APPROVED ON BEHALF OF THE BOARD

W. E. FOSTER, Director.

B. M. HILL, Director.

\$1,267,404.30

LIABILITIES

DUE TO BROKERS, against securities purchased.....	\$	1,863.76	
RESERVE FOR DOMINION AND PROVINCIAL INCOME AND PROFITS TAXES.....			5,684.14
CAPITAL AND SURPLUS, represented by:			
Capital Stock:			
Authorized:			
55,000 Non-cumulative First Preference Shares of no par value. (Preferential as to \$2.50 per share dividend and redeemable at \$50.00 at call).			
160,000 Class "A" Common Shares of no par value.			
112,500 Class "B" Common Shares of no par value.			
Issued:			
Non-Cumulative First Preference Shares.....	50,916	15/25	
LESS: Redeemed and Cancelled out of Net Realized Capital Profits.....	15,016	15/25	
Balance First Preference Shares outstanding..	35,900		
Class "A" Common Shares.....	152,340	39/40	
Class "B" Common Shares.....	112,500		
			\$717,515.00
Capital Surplus, representing net realized Capital Profits, used in redemption of 15,016 15/25 First Preference Shares.....			\$215,000.00
Net Realized Capital Profits:			
Balance December 31, 1935.....			\$367,283.57
ADD: Transferred from Profit and Loss Account December 31, 1936.....			352,990.84
			\$720,274.41
DEDUCT: Transferred to Capital Surplus.....			215,000.00
			505,274.41
Balance at Credit of Profit and Loss Account as per Statement attached.....			37,066.99
			1,259,856.40
			<u>\$1,267,404.30</u>

Consolidated Diversified Standard Securities Limited

Notice of Annual Meeting of Shareholders

NOTICE is hereby given that the Annual Meeting of Shareholders of CONSOLIDATED DIVERSIFIED STANDARD SECURITIES LIMITED, will be held at Room 129, Windsor Hotel, in the City of Montreal, on the 12th day of April, 1937, at the hour of twelve o'clock noon, for the purpose of:—

- (a) Receiving and considering the report of the Directors of the Company, the Balance Sheet, Statement of Income and Expenditure, and the Auditors' Report for the past fiscal year;
- (b) Considering and if thought fit approving and ratifying all contracts, acts and proceedings of the Board of Directors and of the officers of the Company since the last Annual Meeting of Shareholders as set forth or described in the books of the Company or in the annual report of the Company for the past fiscal year;
- (c) Appointing auditors;
- (d) Electing Directors for the ensuing year;
- (e) Transacting such other business as may properly be brought before the meeting.

If you are not able to be present kindly sign and return the enclosed Proxy by early mail.

DATED at Montreal this 8th day of March, 1937.

BY ORDER OF THE BOARD,

A. G. TIERNEY,
Secretary.